

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



September 9, 2010

Advice Letter 3721-E

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

**Subject: Contract Amendments in Compliance with Resolution E-4350
Approving Three Contracts for Procurement of Renewable
Energy Resources between PG&E & Avenal Park, LLC; Sun
City Project, LLC; & Sand Drag, LLC (All Subsidiaries of Eurus
Energy America Corp)**

Dear Ms. Yura:

Advice Letter 3721-E is effective August 19, 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

August 19, 2010

Advice 3721-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Contract Amendments in Compliance With Resolution E-4350
Approving Three Contracts for Procurement of Renewable Energy
Resources Between Pacific Gas and Electric Company (“PG&E”) and
Avenal Park, LLC; Sun City Project, LLC; and Sand Drag, LLC (All
Subsidiaries of Eurus Energy America Corporation)**

Purpose:

In compliance with Resolution E-4350, approved August 12, 2010, PG&E submits this Advice Letter attaching amendments to three power purchase agreements for procurement of renewable energy resources between PG&E and Avenal Park, LLC; Sun City Project, LLC; and Sand Drag, LLC (all subsidiaries of Eurus Energy America Corporation) (collectively “PPAs”).

Background:

On August 12, 2010, in Resolution E-4350, the Commission approved the three PPAs which were filed in PG&E’s Advice Letter 3610-E on February 1, 2010. However, in Ordering Paragraph 2, the Commission requested that, within thirty days of the effective date of Resolution E-4350, PG&E submit a Tier 1 advice letter containing PPAs modified to eliminate all provisions allowing a delay in commercial online date beyond December 31, 2011, other than force majeure provisions. In compliance with Resolution E-4350, PG&E provides in Confidential Appendices A1, A2, and A3 an amendment to each of the three PPAs.¹ Each amendment modifies the corresponding PPA to eliminate all provisions allowing a delay in commercial online date beyond December 31, 2011, other than force majeure provisions.

¹ Because the PPAs were already amended once to include certain non-modifiable terms adopted in D.10-03-021 and other non-material changes, the amendments are referred to as “Second Amendments.”

Confidential Attachments:

In support of this Advice Letter, PG&E submits the following confidential information in the manner directed by D.08-04-023 and the August 22, 2006 Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the IOU Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this Advice Letter.

Confidential Attachments:

Appendix A1 – Second Amendment to Power Purchase Agreement (Avenal Park, LLC)

Appendix A2 – Second Amendment to Power Purchase Agreement (Sun City Project, LLC)

Appendix A3 – Second Amendment to Power Purchase Agreement (Sand Drag, LLC)

Protests:

Anyone wishing to protest this filing may do so by sending a letter by **September 8, 2010**, which is **20** days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Honesto Gatchalian, Energy Division, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Pacific Gas and Electric Company
Attention: Jane Yura
Vice President, Regulation and Rates
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-Mail: PGETariffs@pge.com

Effective Date:

PG&E requests that this advice filing become effective on **August 19, 2010**. PG&E submits this as a Tier 1 advice filing effective pending disposition.

Notice:

In accordance with General Order 96-B, Section IV, a copy of this Advice Letter excluding the confidential appendices is being sent electronically and via U.S. mail to parties shown on the attached list and on the service lists for R.06-02-012, R.08-02-007 and R.08-08-009. Non-market participants who are members of PG&E's Procurement Review Group and have signed appropriate Non-Disclosure Certificates will also receive the Advice Letter and accompanying confidential attachment by overnight mail. Address changes should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in cursive script that reads "Jane Yura /ent".

Vice President – Regulation and Rates

cc: Service List for R.08-08-009
Service List for R.06-02-012
Service List for R.08-02-007
Paul Douglas – Energy Division
Sean Simon – Energy Division

Attachments

Limited Access to Confidential Material:

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protection of Section 583 of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

Confidential Attachments:

Appendix A1 – Second Amendment to Power Purchase Agreement (Avenal Park, LLC)

Appendix A2 – Second Amendment to Power Purchase Agreement (Sun City Project, LLC)

Appendix A3 – Second Amendment to Power Purchase Agreement (Sand Drag, LLC)

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

☒ ELC

☒ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3721-E**

Tier: 1

Subject of AL: Contract Amendments in Compliance with Resolution E-4350 Approving Three Contracts for Procurement of Renewable Energy Resources Between Pacific Gas and Electric Company ("PG&E") and Avenal Park, LLC; Sun City Project, LLC; and Sand Drag, LLC (all Subsidiaries of Eurus Energy America Corporation)

Keywords (choose from CPUC listing): Compliance, Contracts, Portfolio

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-4350

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See the attached matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement: ☒ Yes ☐ No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Sandra Burns (415) 973-1627

Resolution Required? Yes ☐ No ☒

Requested effective date: **August 19, 2010**

No. of tariff sheets:

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane Yura

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**DECLARATION OF SANDRA J. BURNS
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN ADVICE LETTER
3721-E
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Sandra J. Burns declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E") and have been an employee since 1985. I am a principal in the Structured Transactions Group in the Energy Procurement department within Pacific Gas and Electric Company (PG&E). I am responsible for managing PG&E's Renewables Portfolio Standard solicitation and negotiating power purchase agreements with counterparties in the business of producing electric energy. In carrying out these responsibilities, I have acquired knowledge of such sellers in general and, based on my experience in dealing with facility owners and operators, I am familiar with the types of data and information about their operations that such owners and operators consider confidential and proprietary.

2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 the "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendices A1, A2, and A3 to Advice Letter 3721-E submitted on August 19, 2010. By this Advice Letter, PG&E is submitting three amendments to each of the three power purchase agreements ("PPAs") in compliance with Commission Resolution E-4350, which approved three contracts for procurement of renewable energy resources between PG&E and Avenal Park, LLC; Sun City Project, LLC; and Sand Drag, LLC (all subsidiaries of Eurus Energy America Corporation) subject to the PPAs being amended and filed by a Tier 1 advice letter.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix 1 of D. 06-06-066 and Appendix C of D. 08-04-023 ("the IOU Matrix"), or constitutes information that should be protected under General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds (where applicable), and why confidential protection is justified. Finally, the matrix specifies that: (1) that PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information (where applicable); (2) that the information is not already public; and (3) that the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the text in the attached matrix that is pertinent to this filing.

I declare under penalty of perjury, under the laws of the State of California that, to the best of my knowledge, the foregoing is true and correct. Executed on August 19, 2010, at San Francisco, California.


Sandra J. Burns

PACIFIC GAS AND ELECTRIC COMPANY Advice Letter 3721-E August 19, 2010								
IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 08-04-023								
Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 and Appendix C to D.08-04-023 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment		Length of Time
1	Document: AL 3721-E							
2	Appendices A1, A2, and A3	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	These Appendices contains PPAs. Disclosure of the PPAs would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparties to the PPAs have an expectation that the terms of the PPAs will remain confidential pursuant to confidentiality provisions in the PPAs.	Remain confidential for three years after the commercial operation date

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

Alcantar & Kahl	Department of Water Resources	Northern California Power Association
Ameresco	Department of the Army	Occidental Energy Marketing, Inc.
Anderson & Poole	Dept of General Services	OnGrid Solar
Arizona Public Service Company	Division of Business Advisory Services	Praxair
BART	Douglass & Liddell	R. W. Beck & Associates
BP Energy Company	Downey & Brand	RCS, Inc.
Barkovich & Yap, Inc.	Duke Energy	Recon Research
Bartle Wells Associates	Dutcher, John	Recurrent Energy
Bloomberg New Energy Finance	Economic Sciences Corporation	SCD Energy Solutions
Boston Properties	Ellison Schneider & Harris LLP	SCE
Brookfield Renewable Power	Foster Farms	SMUD
C & H Sugar Co.	G. A. Krause & Assoc.	SPURR
CA Bldg Industry Association	GLJ Publications	Santa Fe Jets
CAISO	Goodin, MacBride, Squeri, Schlotz & Ritchie	Seattle City Light
CLECA Law Office	Green Power Institute	Sempra Utilities
CSC Energy Services	Hanna & Morton	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	Hitachi	Silicon Valley Power
California Energy Commission	International Power Technology	Silo Energy LLC
California League of Food Processors	Intestate Gas Services, Inc.	Southern California Edison Company
California Public Utilities Commission	Lawrence Berkeley National Lab	Sunshine Design
Calpine	Los Angeles Dept of Water & Power	Sutherland, Asbill & Brennan
Cameron McKenna	Luce, Forward, Hamilton & Scripps LLP	Tabors Caramanis & Associates
Cardinal Cogen	MAC Lighting Consulting	Tecogen, Inc.
Casner, Steve	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	U S Borax, Inc.
Coast Economic Consulting	Mirant	United Cogen
Commerce Energy	Modesto Irrigation District	Utility Cost Management
Commercial Energy	Morgan Stanley	Utility Specialists
Consumer Federation of California	Morrison & Foerster	Verizon
Crossborder Energy	NRG West	Wellhead Electric Company
	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Davis Wright Tremaine LLP	Norris & Wong Associates	
Day Carter Murphy	North America Power Partners	
Defense Energy Support Center	North Coast SolarResources	